

# Financial Management Course

## Chapters/Rules/Effective Date

- Financial Management Course (FMC) is required for all individual Chapter 7 and 13 debtors filed on or after October 17, 2005.
- Pertinent Rules:
  - FRBP 1007 (list/schedule/stmt time limits)
  - FRBP 4006 (notice of no discharge)
  - LBR 4004-1 (new – grant/denial of discharge)

# Applicable Deadlines

- **In Individual Chapter 7 cases**, the certificate for completing the FMC is **due 45 days after the meeting of creditors.**
- **In Chapter 13 cases**, the certificate is due no later than the **last payment made by the debtor as required by the plan**, or the filing of a Motion for Entry of Discharge under 1328(b)

# Exceptions to FMC Requirement

- Debtor is unable to complete course due to incapacity or disability
- Debtor is on active military duty in a combat zone
- US Trustee has determined that adequate financial management services are unavailable in the district

**If one of the above exceptions apply, debtor must file a  
Motion for Exemption From Financial Management  
Course**

# US Trustee Responsibilities

- Compile a list of approved agencies to conduct FMC
- File an objection if FMC taken by debtor was not one of those approved by the US Trustee
- File a position in instances where a debtor's case is reopened for the purpose of submitting their FMC certificate.

# Failure to Timely File Form 23

- **Upon expiration of applicable FMC deadline and no certificate is filed:**
  - Court will Issue Notice of Intent to Close Case Without Entry of Discharge, with a 15 day compliance deadline
- **If no timely compliance within 15 days:**
  - Court will Close Case Without Entry of Discharge, and notice of such closure will be sent to debtor and all creditors.

# Debtor's Recourse – Case Closed Without Entry of Discharge

- Debtor files a Motion to Reopen for purpose of filing a FMC Certificate (copy of certificate as an attachment)
  - If applicable, file a Motion for Exemption
- Receives 13 day objection deadline and deadline for US Trustee position
- Debtor must pay applicable reopening fee

# New Electronic Filing Events

- Financial Management Course Certificate
  - Located under “Other”
- Motion for Exemption From Financial Management Course
  - Located under “Motions/Applications”

# New Forms

- Certificate of Completion of FMC (Official Form 23)
- Notice of Intent to Close Case (Court Form)
- Notice of Case Closing w/o Entry of Discharge (Court Form)